



***United States Attorney
District of New Jersey***

FOR IMMEDIATE RELEASE

February 10, 2011

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**FORMER PRESIDENT AND CEO OF CHARLIE BROWN'S RESTAURANTS SENTENCED
TO TWO YEARS IN PRISON FOR FRAUD CONSPIRACY AND TAX EVASION**

TRENTON, N.J. – The former president and CEO of the Charlie Brown's chain of restaurants was sentenced today to 24 months in prison for conspiring to defraud the company by accepting more than \$1 million in kickbacks in exchange for awarding contracts to vendors, U.S. Attorney Paul J. Fishman announced.

Russell D'Anton, 50, of Manasquan, N.J., previously pleaded guilty before U.S. District Judge Mary L. Cooper to an Information charging him with one count each of conspiracy to commit mail fraud and tax evasion. Judge Cooper also imposed the sentence today in Trenton federal court.

According to documents filed in this and related cases and statements made in court:

From at least as early as 1999 through 2008, D'Anton was the president and CEO of Charlie Brown's Acquisition Corporation. D'Anton and a co-conspirator, Charlie Brown's vice president Michael Mulligan, 51, of West Milford, N.J., used their positions as executives at Charlie Brown's to direct business to vendors who paid them kickbacks in the form of cash, checks and in-kind payments.

D'Anton admitted that he accepted kickbacks from a variety of vendors, including a construction company and vendors who provided Charlie Brown's with refrigeration services and bakery products. The kickbacks included expensive home appliances, checks and cash.

D'Anton also took steps to conceal the payments from his employer, purposely failing to report the value of the kickbacks as income on his personal federal tax returns. In pleading guilty to the tax evasion count, D'Anton specifically admitted that he failed to claim additional taxable income of approximately \$123,000 on his 2005 U.S. Individual Income Tax Return. Had the income been reported, it would have been subject to a tax of approximately \$44,341 due to the IRS.

In addition to the prison term, Judge Cooper sentenced D'Anton to years of supervised release. D'Anton will also be required to pay restitution in an amount to be determined.

Mulligan pleaded guilty to one count each of conspiracy to commit mail fraud and tax evasion. David Slabon, 44, of Sea Girt, N.J., admitted to paying kickbacks to D'Anton while serving as the president and CEO of Designline Construction Services. Slabon pleaded guilty to

a criminal Information charging him with one count each of conspiracy to commit commercial bribery and conspiracy to commit wire fraud. Both Mulligan and Slabon await sentencing.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward; and the IRS, under the direction of Special Agent in Charge Victor W. Lessoff, with the investigation leading to today's sentence.

The government is represented by Assistant U.S. Attorney Christopher J. Kelly of the U.S. Attorney's Office Criminal Division in Newark.

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Defense counsel: Henry F. Furst, Esq., Montclair, N.J.